(b) Yes Sir.

(c) Some of the new incentives which have been announced for Export Oriented Units in the Foreign Trade Policy are:—

1. EOUs shall be exempted from Service Tax in proportion to their exported goods and services.

2. EOUs shall be permitted to retain 100% of export earnings in EEFC accounts.

3. Income Tax benefits on plant and machinery shall be extended to DTA units which convert to EOUs.

4. Import of capital goods shall be on self-certification basis for EOUs.

5. For EOUs engaged in Textile and Garments manufacture leftover materials and fabrics upto 2% of CIF value or quantity of import shall be allowed to be disposed of on payment of duty on transaction value only.

6. Minimum investment criteria shall not apply to Brass Hardware and Hand-made Jewellery EOUs (this facility already exists for Handicrafts, Agriculture, Floriculture, Aquaculture, Animal Husbandry, IT and Service sectors).

Export of steel to Pakistan

996. SHRI B. J. PANDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India Steel Alliance has urged Government to promote steel exports to Pakistan; and

(b) if so, the current statistics of export of this commodity to Pakistan and the future action plan to boost the exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) Export statistics in respect of steel items for the year 2003-04 and April-July, 2004 are given in the table below:

(Value in Rs. lakhs)

Commodity Name	Value of Export 2003-04	to Pakistan during April-July 2004
Ferro Alloys	866.34	248.00
Iron & Steel Bars/Rods	192.80	119.00
Primary & Semi-finished Iron & Steel	2274.15	409.00
TOTAL:	3333.29	776.00

Source: Engineering Export Promotion Council

There has been a visible increase in business to business dialogue through exchange of visits and participation in trade fairs/exhibitions etc. India and Pakistan are signatories to the South Asia Free Trade Area (SAFTA) Agreement and it is expected to give a significant boost to the economic activities between the two nations. Commerce & Industry Minister participated in the 4th SAARC Commerce Ministers Meeting in Islamabad from 22-23 November, 2004. The Meeting noted with satisfaction the significant progress recorded in regional economic cooperation, in particular, the signing of the SAFTA Agreement. On this occasion, Commerce Ministers of India and Pakistan also had a separate interaction to lay down a road map for promoting trade between the two countries. They agreed to set up a Joint Study Group at the level of Commerce Secretaries of both the countries for evolving a strategy for boosting trade and economic cooperation between India and Pakistan.

Allocation of quota for import of oil

997. SHRIMATI BIMBA RAIKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's top edible oil companies use oil imported by the State Trading Corporation under the Annual Preferential Import Quota;

(b) whether the Director General of Foreign Trade (DGFT) allocates quota for import of oil to the agencies;

(c) whether the DGFT had short-circuited the process of equitable allocation of the quota by allocating the entire quota to STC; and